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An Appraisal of the Nigerian Transport Sector: Evidence from the Railway and Aviation Sub-Sectors

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Abstract
This study is an evaluation of the Nigerian transport sector with particular references to the railway and aviation sub-sectors. Modern transport and freight distribution system, all over the world, are tending towards the adoption of best practices that are reliable, timely and cost-effective. Secondary data obtained from relevant agencies and simple graph and percentage methods were used in analysing the trends. The findings of this paper reveal that when the demand for railway services by passengers dropped, trains resulted in carrying more freight to compensate for the loss while a rise in the number of passengers led to a fall in the freight carried. Furthermore, it was discovered that Nigeria experienced 37 air mishaps from 1969 - 2012 with the highest occurrences in 1995 which affected air traffic negatively. The growth rate of passengers dropped by 74.9 per cent in 1995 while freight carried in tones went down with about 86.2 per cent under the same period as against mail carried with 1427.5 per cent increase. In general, the findings show a low and a continuous fall in the activity of transport sector in Nigeria. The study identifies high operation cost and inadequate funding as major challenges facing the sub-sectors; and it also highlights increased private sector participation and improved funding as major policy options. The paper calls for government to have a Marshall Plan for transportation development in Nigeria if broad based economic development is to be achieved.
Key Words: Transportation, Nigeria, Railway, Aviation, Freight, Sector

1.0 Introduction

Transportation is an essential part of economic development. It is one of the indices for measuring the development of a country. Nigeria's rural transport infrastructure has been identified as a crucial component for the economic development of the country by linking the rural communities to the urban areas FGN (2007). A good transportation network expands economic activities by improving accessibility and facilitates movement of goods including agricultural commodities in all the nooks and cronies of the country. According to Oni and Okanlawon, transport is the cornerstone of civilization. As the society and economic organizations become complex, the relevance of transport grows. Also, the demand for transport is a derived one, because it depends on the demand for the commodities carried or the benefit of personal travel and each travel is unique in time and space. Hence, the demand for transport services increases with the extension of the input-output relationships of an economy. Transport infrastructural development remains a major tool for achieving meaningful development.
Transport system is classified into four basic categories, namely, Rail, Road, Water and Air Transport. The share of transport in the Gross Domestic Product (GDP) is in the neighborhood of 3 per cent. Economic transformation, and indeed, the development of any country are hardly possible without an efficient transport system Salim, (2003) and Lingaitiene, (2006). According to Transport Statistics Report, transportation is an essential part of human activity, and in many ways forms the basis of all socio-economic interactions. Indeed, no two locations will interact effectively without a viable means of movement. In many developing countries, inadequate transport facilities are often the norm rather than the exception. Thus, a good transport system is essential to support economic growth and development. Since the attainment of independence in 1960, the problems of Nigerian transport system include bad roads; inadequate fleets of buses or trucks; irregular, inadequate and overcrowded trains and airplanes and congested ports. These are common features of the developing world. In line with these are physical problems such as dearth of suitably-trained transport managers and planners, capital restructuring bottlenecks, serious issues of institutional reforms and ineffective traffic regulations. Hence, this paper examines the trend as well as challenges and policy options in aviation and railway sub-sectors in Nigeria.

2.0 The Nigerian Economy Potentials

Nigeria has a land area of 924,000 sq. km. With an estimated population of about 150 million people, it is the most populous country in Africa and the largest in West Africa. Its other potentials include a vibrant private sector, highly motivated entrepreneurs, vast and fertile agricultural lands, and an educated workforce. It produces and exports crude oil, the sixth largest exporter in OPEC, and is also richly endowed with gas and solid minerals

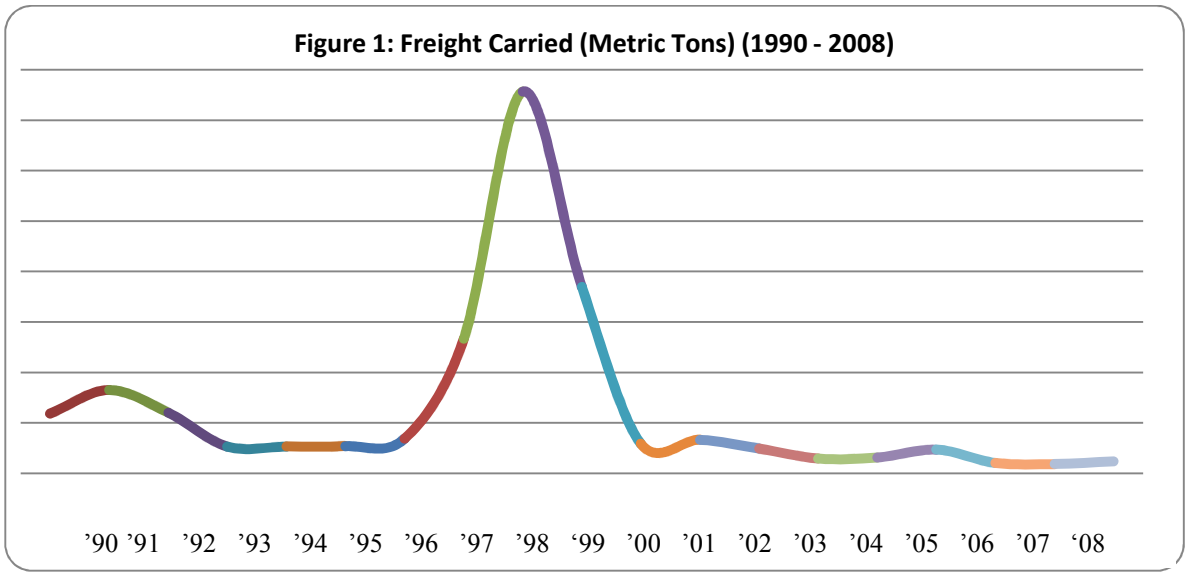
as well. Notwithstanding the potentials, the country's economic and social conditions have remained far below the minimum expectations of ordinary citizens. Some of the socio-economic indices, although much improved, still remain a long way to meeting the internationally agreed millennium development goals (MDGs) targets. It is estimated that half of the population live in absolute poverty, while life expectancy and infant mortality is 52 years and 84 per 1,000 live births respectively.

According to NBS (2010), in the past years, Nigeria experienced strong economic growth, with agriculture a major contributor to the country's Gross Domestic Product (GDP). The Nigerian Economy performed well between 2006 and 2010 despite the negative effects of the global economic crisis which started in 2007and continued throughout the period under review. The Gross Domestic Product (GDP), at 1990 constant prices, grew consistently between 2006 and 2010, except for 2008 when a slight decrease occurred. The GDP growth rate increased from 6.03% in 2006 to 6.60% in 2007 and fell slightly to 5.98% in 2008. The GDP grew by 6.96% and 7.87% in 2009 and 2010 respectively. The fall of GDP growth in 2008 was due to the global economic crisis which resulted in a decline of demand for Nigeria's crude oil abroad. This also affected the flow of credit into the country, triggering a crash in the stock market as well as a decline in Foreign Direct Investment (FDI).The Nigerian economy witnessed an impressive growth between 2006 and 2010. Although, the macroeconomic indicators are high, they are relatively stable compared to that of other African countries. There is need therefore, for the Nigerian government to put in place sound policy to drive transformation in the transportation System to further grow the GDP that will result in higher employment so as to promote social harmony in the society.

3.0 Rail Transportation in Nigeria

The railway transportation system in Nigeria has been considered as the oldest and perhaps has the greatest carrying capacity in overland transport modes in Nigeria. The first Railway construction in Nigeria began in 1898 with the Lagos – Ibadan line that was completed in 1901. Its original conception by the colonial authorities was to open up the country to trade with England as well as an instrument of administrative control, regional growth and development, politics and military control (Robinson et al. 1961; Ademiluyi 2006a).Generally, rail transport is the most suitable and cheapest mode of transportation for heavy traffic flows in Nigeria. Nigeria's single-narrow-gauge railway line constructed in the colonial period was for many years the only mode of freight movement between the northern and southern parts of the country. The Lagos – Ibadan line was extended to Jebba in 1909, and this line later joined the Kano – Baro line in 1915. In the East of Nigeria, the Port Harcourt line reached Enugu in 1916. Between 1916 and 1966, the railway line was connected to towns and cities like Jos, Kaduna, Zaria, Namoda, Nigwu, Ifo, Maiduguri and Gombe. Alesa Eleme oil refinery to Eleheruwa in Port-Harcourt was connected to Enugu line in 1966, Ademiluyi and Dina (2011).

Similarly, Odeleye (2000) reported that the Nigerian railway network comprises 3,505 kilometers of narrow gauge (1.067m), single track running parallel through north-west to south-west and from south-east to north-east of the country. 1788km of this network is on 1,600 sharp curves between 4 and 10 degrees, and this has reduced the maximum permissible speed to 65km/h. Unfortunately, after independence, there were no major track extension made by the government in the past five decades. Basically, the existing network is the colonial relics Nigeria inherited from the colonial administration. The total abandonment of the railway system by successive governments had plunged the railway system in Nigeria into a state of comatose. After twelve years of independence, the Nigerian Railway Corporation began recording financial losses, a trend that has not only continued but has increased in enormity. In 1981 alone, the corporation recorded a loss of more than N83 million and since then the lost has been continuous Ademiluyi and Dina (2011). Studies had revealed that there has been a persistent downward trend in Nigeria Railway's fortunes Solarin (2000); Abubakar (2002); Ademiluyi (2006a). The rapid increase in the use of motorized transport has led to precipitous decline in railway patronage both in passengers and freights. As stated in the introductory part of the paper, one of the objectives is to look at the trend of the Nigerian railway system. This is presented in figures 1 and 2. Figure 1 is a pictorial presentation of the trend of freight carried in metric tonnes by railway from 1990 – 2008. There was increase in freight carried from 1990 to 1991 and between 1992 and 1994 it decreased. It slightly rose in 1996 afterward; there was unprecedented upsurge with an all time height in 1998 under the period reviewed. This was not sustained hence; it plummeted down below the level it was in 1996 which led to a continuous decline in freight carried with insignificant rise in some instances.



In the same light, the number of passengers fluctuated in downward trajectory with sharp decline in 1998 as against the peak recorded in the freight carried under the same period. This implies therefore, that when the demand for railway services by passengers dropped, trains resulted in carrying more freight to compensate for the loss. In another development, the number of passengers rose sharply in 2000 as against the precipitous drop in the freight carried in 2000. By implication, it means a rise in the number of passengers led to a fall in the freight carried. However, it can be deduced by mere observation which variable affects the other until the data are subjected to further laboratory test. Thus, this research suggests that a causality test be carried out for the data (Granger Causality) which is not the scope of this paper.

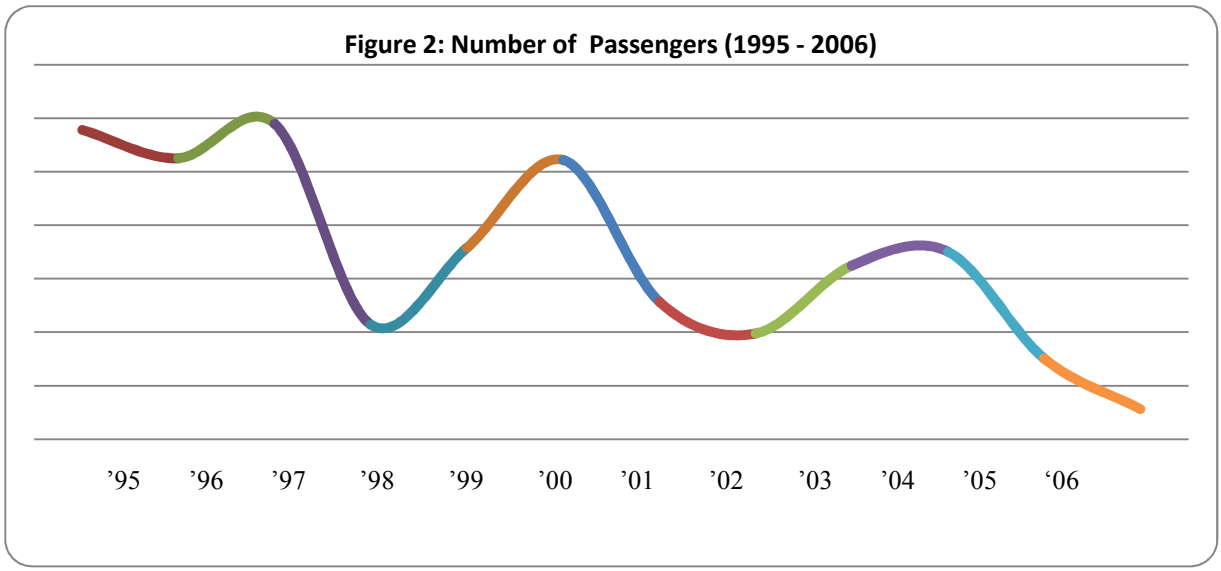
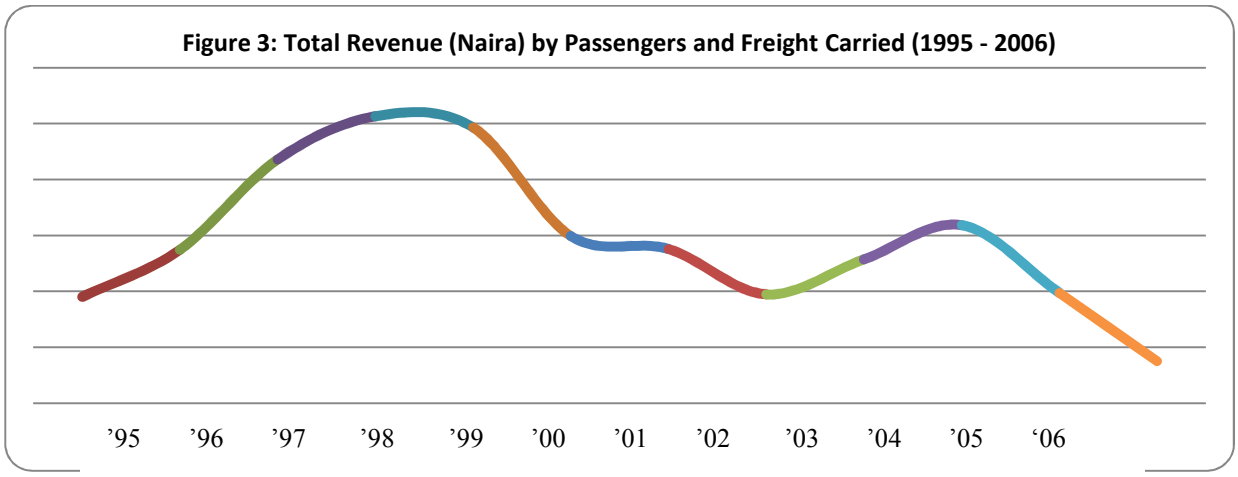


Figure 3 below is a reflection of figure 1 and 2 in monetary term. It is the total revenue generated from the number of passengers and freight carried in 1996 to 2006.The revenue generated rose to a peak in 1998; in the same year the freight carried was at highest level while the number of passengers dropped drastically under the same period. This means that the railway system makes more money in carrying freight than passengers. In 2000, railway revenue began to dwindle in a consistent manner with a spiral downward movement due to the near zero activity in the railway system.



The motorized system of transportation has taken over the carrying of passengers and freight in Nigeria. Ubogu (2008) conducted a survey on number of trucks that loaded per day at Lagos and Rivers complex;discovered that 2063 trucks loaded daily from Apapa Wharf, Tin Can, Port Harcourt and Onne seaports in 2008. This account for the p0ressure exerts on road transport by heavy duties with attendant deplorable state of roads in Nigeria. The railway system has been identified as the easiest and cheapest means of transportation for both freight and passengers in Nigeria. In contrast, though investment in railway is capital intensive, government commitment in revamping the railway system has been quite discouraging. The government has failed to develop a strategic plan on railway development and implement it with all the seriousness it deserved.

Table 1: The Sample Population of Truck Drivers

Port complex	Location of seaport	Estimated number of trucks loaded per day
Lagos	Apapa Wharf	1300
	Tin Can	350
Rivers	Port Harcourt	271
	Onne	142
Total		2063

Source: Field Survey Results, in Ubogu (2008)

The problems confronting the Nigerian railway system are numerous. Some of these problems includes: poor track structure consisting of single track narrow gauge, steep gradients and sharp curves, poor maintenance, and poor track equipment limiting maximum permissible speed to 65 km/h. Others include shortage of locomotives and rolling stocks, corruption and bad management, poor equipment/state of technology, neglect of rail system for road transport development by government, frequent interference with NRC management, myriads of pensioners, and a volatile labour union Abubakar (2002). Also, of all transport modes commonly used in Nigeria, the rail sub-sector remains the relatively most neglected in terms of investment and transformation Jakpa (1981); Adesanya (1998); Elechi (1998); Ademiluyi (2006b).

Table 2: Cities to be served by New Railways

Abuja	Asaba	Calabar	Sokoto
Akure	Benin	Katsina	Warri

Source: Nigeria Railway Corporation, 2007

However, the Nigerian government has made several attempts in the past to develop the Nigeria railway corporation (NRC) by entering into bilateral agreement with Chinese firm for the 1st and 2nd phase of the project which was estimated to gulp about $17billion. This was to be financed with a credit support from the Chinese government. However, recent policy pronouncements from the central government indicated that the policy may have ran into constitutional hitches. The inability of the government to go ahead with the execution of this project will spell serious doom for the Nigerian economy, Gbenga, (2007).

4.0 Aviation Transportation in Nigeria

After the first aircraft was flown in 1903 by the Wright Brothers, Nigeria had its first commercial flight in 1935. The Nigerian airline industry enjoyed rapid growth following the oil boom of the 1970's. There was a remarkable increase in the number of operators, airports and passenger traffic and in 1988 Nigeria adopted the National Policy on Civil Aviation, CIUCI (2011). The Nigerian Air traffic comprises passenger traffic, aircraft movements, freight traffic and mail traffic, FMT (2004). The industry currently consists of four major categories

of players/segments namely: Regulators, Airline Operators/Carriers, Service Providers, and Air Travelers. Table 3 shows data on passengers carried, mail carried and freight carried from 1986 -2001.

Table 3 Domestic International Services

Year	Passengers carried (000)	Mail Tonnes (000)	Freight Tonnes
1986	1,334.0	66.0	85.0
1987	1,064.0	253.0	3,935.0
1988	781.0	379.0	2,500.0
1989	549.0	265.0	2,096.0
1990	624.0	411.0	2,416.0
1991	556.0	422.0	2,399.0
1992	415.0	313.0	2,266.0
1993	198.0	126.0	1,020.0
1994	349.0	91.0	1,970.0
1995	88.0	1,390.0	272.0
1996	156.0	39.0	837.0
1997	85.0	85.0	541.0
1998	92.0	124.0	658.0
1999	81.0	14.0	621.0
2000	63.0	-	1,549.0
2001	70.0	-	447.0

Source: Central Bank of Nigeria 2006, Statistical Bulletin. Vol. 16

The trend in passenger traffic for the period 1986 – 2001 had fluctuations with a value of 1,334.0 passengers in 1986 as the highest passengers carried under the period of review. The air passengers decreased sharply to about 63.0 in 2000, which is the lowest within the period of review. The pattern of mail traffic is not substantially different as mail in 1986 was 66.0 tonnes and continued to fluctuate to the peak of 1, 390.0 tonnes in 1995. In 1999 the mail carried was at the lowest of 14.0 tonnes. Similarly, freight carried in 1986 was 65.0 tonnes, it rose to 3,935.0 tonnes in 1987. The lowest freight carried was 447.1 in 2001 (CBN 2005). The fluctuations in air traffic in Nigeria between 1975 and 1998 can be attributed to the changing economic climate of the country and the impact this has had on the transport sector Aderamo, (2006). These are the oil boom period of the early 70's and the Structural Adjustment. Beside, external shocks could affect domestic air traffic. For instance, the aviation industry recorded $10 billion loss following terrorist attacks while the global recession in 2009, reduced airline industry capacity by 9% 2008, CIUCI (2011).

In both developed and developing countries, plane mishaps are in the decline unlike in Nigeria. Table 4 shows the history of air accidents (planes and Helicopters) that took place in Nigeria since 1969. From 1969 to 2012, Nigeria experienced 37 air mishaps with the highest frequency of 9 cases in 2005. This affected air traffic negatively whereby the growth rate of passengers dropped by 74.9 per cent in 1995 while freight carried in tones went down with about 86.2 per cent under the same period as against mail carried with 1427.5 per cent increase in table 3.

Table 4: H*istory of Air Accidents (Planes and Helicopters) in Nigeria 1969-2012*

Plane	Dead	Survivor	Place	Year	Frequency
Nigeria Airways	87	-	-	1969	1
Royal Jordanian	5	166	Kano	1975	1
Nigeria Airways	16		Kano	1978	1
Nigeria Airways	53	-	Enugu	1983	1
Skypower Brandeironate	All on board		Illorin	1988	1
Okada Air	-	55	Sokoto	1990	1
British Helicopter	9	-	Akwa Ibom	1991	
Cessna Citation	All on board	-	-	1991	
Okada Air	3		Sokoto	1991	
Nigeria Airways	261	-	Saudi Arabia	1991	4
Nigeria Air Force	200	-	Lagos	1992	1
Harka Air Services	16	-	Lagos	1995	
Nigeria Airways	9	-	Kaduna	1995	2
Ibrahim Abacha	14	-	Kano	1996	
ADC Airline	151	-	Lagos	1996	2
Skypower Express Airways	5	-	Yola	1997	
NAF Dornier	-	10	Borno	1997	2
Skypower Express Airways	17	-	Abuja	2000	
Dornier Aircraft	-	6	Niger-Delta	2000	2
EAS Airlines	148	29	Kano	2002	1
Hydro Cargo Brussets	-	-	Bauchi	2004	
PAA Helicopter	4	-	Delta State	2004	
Kenya Airlines	-	-	Lagos	2004	3
ADC	-	-	Yola	2005	
Bellview	117	-	Ogun State	2005	
Chachangi Airlines	-	-	Lagos State	2005	
Chachangi Airlines	-	-	Jos	2005	
Harka Air Services	All on Board	-	Lagos State	2005	
Air France	-	-	Port Harcourt	2005	
Lufthansa Aircraft	-	-	Lagos State	2005	
Bellview	117	-	Ogun State	2005	
Sosoliso	106	-	Port Harcourt	2005	9
18-Seater Dornier	15	3	Benue State	2006	
ADC Airline	96	18	Abuja	2006	2
Beech-craft	1	-	Kaduna	2011	1
Police Chopper	4		Plateau State	2012	
Dana Air plane	153		Lagos	2012	2

Sources: Godday Odidi (2012). Challenges facing the aviation industry in Nigeria. www.thenigerianvoice.com/.../challenges-facing-the-aviation-

There are numerous factors responsible for air accidents in Nigeria ranging from regulatory lapses to high cost of aircraft maintenance. The local operators are often confronted with high aviation fuel costs, excessive taxes and levies. According to CIUCI (2011), aircraft maintenance services required by local operators are limited. While aircraft typically require Category A to D maintenance services to keep them efficient, only Category A and B services are available in Nigeria. Airlines cannot access Category C and D services, which involve overhaul and turn-around maintenance, in Nigeria. As a result, local operators have become heavily dependent on other countries to meet this need. Since foreign services are provided at a much higher cost, local operators are forced

to spend more on aircraft maintenance services than they would if services were available locally. The high cost of aviation fuel is a challenge for airline operators around the world. In 2011 the unrest in the Middle East, especially in oil-producing Libya, pushed up global oil prices to levels not seen since their peak in 2008. Aviation fuel spiked even higher. The catastrophic earthquake and tsunami in Japan, which caused outages at three major refineries, also took some aviation fuel off the market. As a result, the price of aviation fuel has risen by nearly 50 percent above 2010 prices and by 30 percent above prices at the start of 2011. In Nigeria, although aviation fuel accounted for 15 percent of airline costs in 2000, it accounts for 40 percent today. Within a 12-month period (from September 2010 to September 2011) aviation fuel prices rose by over 88 percent (from N80 per litre to over N150 per litre) leading to a corresponding increase in air fares. Though the global industry spends 29 percent of its costs on aviation fuel, Nigerian carriers incur extra costs (which amount to an additional 11 percent) on the importation of aviation fuel. Consequently, local operators have recorded significant losses and falling profits despite increased passenger revenue. This situation has pushed many Nigerian carriers into a distressed financial position. While some have gone bankrupt, others have incurred huge debts CIUCI (2011).

5.0 Challenges Facing the Nigerian Railways and Aviation Sub-Sectors

There are some critical challenges confronting the Nigerian railways and aviations sub-sectors some of which include the following:

High cost of operation and maintenance

The operation, maintenance and sustenance of the railways and aviation industries are often highly capital intensive. The cost of maintenance of the rail tracks, the train, the airports and the air planes is usually a real challenge. This is one of the reasons why in the past, the government of the country has abandoned most projects in these sub-sectors. The operation and management of the aviation subsectors are done by government through the Federal Airports Authority of Nigeria (FAAN) and the National Airspace Management Agency (NAMA) is responsible for regulation, traffic control and navigational aids for aircrafts while the Nigeria Railway Corporation is in charge of the railway subsector. The airports navigational aids and air traffic control facilities are inadequate and in some cases, obsolete. Because of the high fixed cost in the running of the airports and the relatively low income, only three of the airports operate at a commercial self sufficiency, while the others operate at a substantial loss type of loss as recorded in the railway sub-sector is as highlighted in section 3 above.

Inadequate Funding and Huge Operating Losses

A large part of the deterioration witnessed in these sectors is due to insufficient budgetary provision by the Federal Government coupled with poor management of the sectors. The federal government has, to a large extent, given some reasonable degree of concentration to road transportation. This has been obvious in the enormous contracts given out for the construction rehabilitation and maintenance of roads. According to Adesanya (2010), the rail transport subsector hardly gets up to one-fifth of the allocation to the transport sector. Indeed, the lack of necessary resources to keep tracks, rolling stocks and maintenance facility in reasonable working condition is said to have produced a serious deterioration of the railway system. In spite of generating relatively small revenue annum, its pension bills alone, which rose from N577 million in 1991 to N2.4 billion in 2009, has eroded into what is generated. Between 1995 and 2001 alone, its average operating loss was 13 per cent (and as high as 52 per cent in 1995). This proportion rose to 34.2 per cent between 2004 and 2008.

Corruption and Weak Management

The challenges in these subsectors are further complicated by the widespread corruption and misappropriation of budgetary allocation to the subsectors. The government has, in recent times, doled out much fund for the resuscitation of the subsectors especially the rail transport of the country. In order to bring the new railway system in the country at par with its contemporaries across the world, 25 new C25-EMPD locomotive engines were ordered for the corporation from General Electric (GE) in Brazil and South America, at a cost of $76.2m. However, no significant and proportionate progress and revitalization are witnessed due to the high incidence of corruption and misappropriation. Moreover, the management and institutional frameworks in these sectors have weak structural base and less qualified management staff thereby adding to the already existing challenges in these sectors. The result of which has been huge loss in the rail sub-sector as well as recurrent air mishaps in the aviation sub-sector leading to significant loss of lives and property in the country.

Stagnation and Poor Response to Emerging Rail and Air Transport Needs

Even though the air transport subsector has witnessed significant growth, there has been poor response to changing and advancing technologies in the aviation industry. Old and near outdated aircrafts still ply the Nigerian airways. This scenario is also witnessed in the rail subsector. According to Adesanya (2010), the rail transport network has remained virtually static, with little accretion to the network since the early 1960s. This near stagnation in rail expansion has not allowed rail network to link principal urban centres or major growth points that have since emerged. Ironically, the Nigerian economy has expanded and new growth points have emerged after the completion of the Borno Extension (Kuru to Maiduguri line) in 1964. Unfortunately, rail lines

remained as they were until the early 1990s, which could be referred to as the third phase of rail line expansion.

Loss of Patronage to the Road Transport Sector

A significant challenge in the aviation and rail subsectors in the country has been the problem of poor patronage. This problem persist in the air transport due to the high cost of air tickets given the fact that a large percentage of the Nigerian population is concerned with primary subsistence due to the incidence of poverty rather than the "luxury" of flight. In the rail subsector on the other hand, there exist the problem of time lagging due to the old-fashioned rail carriage in the country. Train passengers end up spending so many days before getting to their respective destinations and freights take such same time lag before arriving. Up until the 1960s, the railways carried over 60 per cent of the freight tonnage compared to its share of less than 2 per cent. The highest number of passengers carried was 15.5 million in 1984 and the highest volume of freight was 2.4 million metric tonnes in 1977, and by 2000/1 traffic had fallen to 2 million passengers and less than 300,000 metric tonnes of freight. The railway now accounts for less than one per cent of land transport in the country. Between 2000 and 2010, the rail passengers carried annually were barely up to 2 million, while the tonnage of the freight or goods conveyed was not up to 170,000 tonnes in any year, during the period under examination. This poor quality of service has made the NRC to lose the patronage of some of its principal clients, such as the Nigerian National Petroleum Corporation (NNPC), Larfarge Cement -Wapco PLC, Peugeot Automobile of Nigeria (PAN), Flour Mills among others. Other problems and challenges facing the Nigerian railways include poor productivity (and its negative effect on staff morale), retention and maintenance of unremunerative routes, huge wage and pension bills - despite the reduction in staff strength of the NRC from about 45,000 in the 1970s to about 7,000 at the moment, Adesanya, (2010).

6.0 Policy Options for Moving Nigerian Railways and Aviation Sectors Forward

Having examined the challenges confronting the Nigerian railways and aviation sub-sectors, some policy options for moving them forward are suggested in this section of the paper.

Enhanced Funding

A catalyst that can catapult the Nigerian transport to where it rightly belongs in the development process of this country is improved funding in the railways and aviation sub-sectors. It is not in doubt that the government, in recent times has improved the funding to these sectors especially the rail sub-sector. However, much is still desired. Improved funding for more locomotives and rolling stock, improved condition of workshops as well as remuneration of the workers would go a long way.

Improved Private Sector Participation

In recent times, the public-private partnership (PPP) has yielded some results in the country especially as seen in the telecommunication sector of the country. Even though this PPP model has since been working in the aviation sector following the grounding of the Nigerian Airways, there is still room for improvement. Increased private participation in the railways and aviation sectors would increase efficiency of the sub-sectors and would bring about healthy competition as well as a reduction in the cost of freights and air tickets.

Tackling Corruption and Efficient Management

Corruption and embezzlement of public fund has been a bane of the sub-sectors as well as that of the country at large. As stated earlier, the government, in recent years has made effort at reviving the transport sector through doling out of fund; however, no significant progress has so far been witnessed. Siphoning public fund meant for developmental has seriously reduced the final fund in the budget available for the management of the sectors. More stringent ways of tackling corruption in the country is becoming necessary. Stringent measures such death penalty or life sentence will definitely go a long way in curbing the incidence of corruption and embezzlement in the country. This become imperatives as existing measures of tackling corruption have failed in yielding desired results.

Improved Manpower and Manpower Training

The Nigerian transport sector, especially the aviation and railways sub-sectors are specialized sub-sectors that require highly skilled manpower for the purpose of management. These sub-sectors have suffered some deterioration in this regard. What has been happening over the years is a situation where skilled contractors (usually expatriates) are given contracts. Having completed the contracts they would hand over to the Nigerian government; but since there is little technical know-how in the country, the facilities face progressive deterioration. Another contributing factor to the deterioration is the poor maintenance culture in the country. Therefore, investment in training and improving the manpower in the sub-sectors would improve continuity and longevity of completed contracts aims at reviving the sector.

7.0 Conclusion, Policy Implications and Recommendations

A well functioning transport sector is an asset in the development of any economy. In Nigeria, the rail transport, in its hey days, significantly contributed to the transformation of the Nigerian economy, as it has done and is still

doing in several countries. The transport sector is a huge employer of labour. Reviving the country's transport is a step towards reducing the high growth of unemployment in the country. More determined steps and stronger political will need to be exhibited. Incidentally, each mode of transport has some comparative advantages over the others, including the railways. For rail transport, its advantages lie in its huge loading capability and relatively lower transport cost, in respect of goods hauled over long distances among others while for the aviation, it is the speed of delivery of persons and goods even though at a comparatively higher cost.

In general, the Nigeria transportation system is still underdeveloped compared to the economic growth. The railway will play a key role in achieving a timely and efficient transport system in Nigeria. The Federal Government of Nigeria must therefore take serious steps to revive rail transportation by investing heavily to achieve meaningful economic developments. There is need to revamped the railway in line with international standard. Though the aviation industry has made considerable progress in passenger activity and safety in recent time, the rising cost of aviation fuel continues to put challenge on airline revenues. The government should formulate policy that will reduce cost of business and open the aviation industry for competition. The aviation regulatory bodies must wake up to their responsibilities if we must achieve the desire breakthrough in the aviation industry. The paper calls for government to have a Marshall Plan for transportation development in Nigeria if broad based economic development is to be achieved.

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